

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 0 — 0 2 3

2. STATE:

CA

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

October 1, 2000

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

7. FEDERAL BUDGET IMPACT:

a. FFY 2000-2001 \$ 1 million

b. FFY \$

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

58a

~~Attachment 4.19-B~~ PSD

Supplement to Attach. 4.19-B

7

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

10. SUBJECT OF AMENDMENT:

Provider based rural health clinic outpatient services

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☒ OTHER, AS SPECIFIED:The Governor's Office does not wish to
review State Plan Amendments.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Gail L. Margolis

14. TITLE:

Deputy Director

15. DATE SUBMITTED:

16. RETURN TO:

Department of Health Services
State Plan Coordinator
714 P Street, Room 1640
Sacramento, CA 95814

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

December 29, 2000

18. DATE APPROVED:

7/24/01

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

October 1, 2000

20. SIGNATURE OF REGIONAL OFFICIAL:

22. TITLE:

Associate Regional Administrator
Division of Medicaid

21. TYPED NAME:

Linda Minamoto

23. REMARKS:

58a

Revision: HCFA - PM - 93 - 6

(MB)

OMB No.: 0938 -

August 1993

State/Territory: California

7 PD
SUPPLEMENT 6 to ATTACHMENT 4.19-B describes
the methods and standards used for reimbursement
of rural health clinics outpatient services.

No. 00-023

Supersedes TN No.: N/A

Approval Date JUL 24 2001 Effective Date OCT - 1 2000

State / Territory: California

Provider Based Rural Health Clinics

Provider Based Rural Health Clinics with 50 or more beds will be reimbursed their reasonable costs of covered core outpatient services and other ambulatory outpatient services (Public Law 95-210). Reasonable costs shall be determined in accordance with applicable Medicaid provisions specified in Title 42 Code of Federal Regulations (CFR) §447.300 through §447.371 and in accordance with the Principles of Reasonable Cost Reimbursement provided in Title 42 CFR PART 413. Such methodology and principles includes any screening guidelines, tests of reasonableness, or payment limitations applicable to Medicaid Rural Health Clinics outpatient services as required by federal law or regulation with the exception of Title 42 CFR §413.13(b) – “Application of the principle of lesser of cost or charges.” The lesser of costs or charges limitation will continue to be applied to hospital inpatient services.

Provider Based Rural Health Clinics with less than 50 beds will be reimbursed at 100 percent of reasonable costs of covered core outpatient services and other ambulatory outpatient services (Balanced Budget Act of 1997). Such clinics will not be subject to cost-per-visit payment limitations or other rate limitations. Reasonable costs shall be determined in accordance with applicable Medicaid provisions specified in Title 42 Code of Federal Regulations (CFR) §447.300 through §447.371 and in accordance with the Principles of Reasonable Cost Reimbursement provided in Title 42 CFR PART 413. Such methodology and principles includes any screening guidelines, tests of reasonableness, or payment limitations applicable to Medicaid Rural Health Clinics outpatient services as required by federal law or regulation.

Providers are required to submit annual cost reports using standard Health Care Financing Administration Form 2552 Cost Report. All providers will be paid interim rates based on such cost reports.

Freestanding Rural Health Clinics

Freestanding Rural Health Clinics will be reimbursed their reasonable costs of covered core outpatient services and other ambulatory outpatient services. Reasonable costs shall be determined in accordance with applicable Medicaid provisions specified in Title 42 CFR §447.300 through §447.371 and in accordance with the Principles of Reasonable Cost Reimbursement provided in Title 42 CFR PART 413. Such methodology and principles includes any screening guidelines, tests of reasonableness, or payment limitations applicable to Medicaid Rural Health Clinics outpatient services as required by federal law or regulation. Providers are required to submit annual cost reports using standard Health Care Financing Administration Form 222 Cost Report. All providers will be paid interim rates based on such cost reports.